



## MILLENNIUM CHALLENGE CORPORATION

[MCC FR 22-02]

### Notice of First Amendment to Compact with the Republic of Côte d'Ivoire

**AGENCY:** Millennium Challenge Corporation.

**ACTION:** Notice.

**SUMMARY:** In accordance with the Millennium Challenge Act of 2003, as amended, the Millennium Challenge Corporation is publishing a summary, justification, and full text of the proposed First Amendment to the Millennium Challenge Compact between the United States of America, acting through the Millennium Challenge Corporation, and the Republic of Côte d'Ivoire, acting through the Ministry of Economy and Finances. Representatives of the United States Government and the Government of Côte d'Ivoire plan to conclude the Amendment in the first quarter of 2022.

(Authority: 22 U.S.C. 7708 (i) (2))

Dated: February 10, 2022.

**Thomas G. Hohenthanner,**

*Acting VP/General Counsel and Corporate Secretary.*

## **Summary of First Amendment to Millennium Challenge Compact with the Republic of Côte d'Ivoire**

The Board of Directors of the Millennium Challenge Corporation (“*MCC*”) has approved an amendment (the “*Amendment*”) to the existing US\$524,740,000, five-year Millennium Challenge Compact between the United States of America, acting through MCC, and the Republic of Côte d'Ivoire (the “*Compact*”).

### **Background**

The Compact was signed on November 7, 2017 and entered into force on August 5, 2019. The Compact aims to contribute to economic growth and investment in Côte d'Ivoire through two projects supporting the Ivorian government's drive to diversify its economy through investments focused on education and transportation: (i) the Skills for Employability and Productivity Project; and (ii) the Abidjan Transport Project.

### **Scope of the Amendment**

MCC proposes to extend the term of the Compact for an additional twelve months until August 5, 2025, and to provide additional funding of up to \$12,000,000. The term extension is necessary to mitigate implementation delays due to the COVID-19 pandemic and to complete Compact projects as originally contemplated. The proposed additional funding will be used to cover additional program administration and related oversight costs associated with extending the Compact's term.

### **Justification for the Amendment**

The first case of COVID-19 in Côte d'Ivoire was confirmed on March 11, 2020. The Government declared a state of emergency on March 23, 2020, imposing curfews and major restrictions on the movement of people. The timing of the pandemic delayed the effective operational start-up of Millennium Challenge Account-Côte d'Ivoire (“*MCA-CI*”) by several months. The new team of recently hired key staff was forced to telework for over three months (March – June 2020), and installation of the servers for the MCA-CI's financial platform, SAP,

was delayed until July 2020. The SAP system finally went live in January-March 2021, a cumulative delay of eight months.

COVID-19 has delayed trainings and made it impossible to have in-person exchanges with other MCAs. Procurements had to be delayed as companies and bidders temporarily closed and were subject to quarantines, and supply chain and other work disruptions. With regard to the Abidjan Transport Project, detailed design studies needed to prepare bidding packages for road construction works have been delayed by 15 months due to a variety of COVID-19-related factors and are scheduled to be completed by the spring of 2022. In addition, several key procurements, such as laboratory equipment for road maintenance (georadar and deflectometer), were extended to accommodate border re-openings so that non-resident companies could participate in the procurements. Trainings on the use of the laboratory equipment were delayed by 10 months and 12 months, respectively. With regard to the Skills for Employability and Productivity Project, community mobilization activities for secondary school construction, which are required prior to construction, came to a halt for nearly four months due to travel restrictions that prevented project staff from conducting site visits.

At the time of approval of this Compact, it was recognized that complex construction projects of this nature would be challenging in a post-conflict and limited-capacity country, but achievable in the absence of unknown risks emerging. COVID-19 impacts have upset that calculus. Extending the Compact term will better position MCC and MCA-CI to complete and hand over all ongoing projects to the beneficiary institutions without compromising health, safety, or environmental standards, and will reduce sustainability risks by allowing for necessary attention to post-construction activities, including testing and commissioning of infrastructure, and training and capacity building of implementing entities. As COVID-19 has disrupted program activities and timelines, an extended Compact term will improve the potential to obtain the intended long-term benefits for the citizens of Côte d'Ivoire and return on MCC's investment.

**FIRST AMENDMENT TO MILLENNIUM CHALLENGE COMPACT BETWEEN THE  
UNITED STATES OF AMERICA, ACTING THROUGH THE MILLENNIUM  
CHALLENGE CORPORATION AND THE REPUBLIC OF COTE D’IVOIRE**

**FIRST AMENDMENT TO MILLENNIUM CHALLENGE COMPACT**

This FIRST AMENDMENT TO MILLENNIUM CHALLENGE COMPACT (this “*Amendment*”), is made by and between the United States of America, acting through the Millennium Challenge Corporation, a United States government corporation (“*MCC*”), and the Republic of Côte d’Ivoire (“*Côte d’Ivoire*”), acting through the Ministry of Economy and Finances (the “*Government*”) (each referred to herein individually as a “*Party*” and collectively, as the “*Parties*”). All capitalized terms used in this Amendment that are not otherwise defined herein have the meanings given to such terms in the Compact (as defined below).

**RECITALS**

WHEREAS, the Parties signed that certain Millennium Challenge Compact by and between the United States of America, acting through MCC, and Côte d’Ivoire, acting through the Ministry of Economy and Finances, on November 7, 2017 (the “*Compact*”);

WHEREAS, Section 7.4 of the Compact provides for a Compact Term of five years from its entry into force on August 5, 2019;

WHEREAS, implementation of the Compact has been adversely affected and delayed by the coronavirus pandemic;

WHEREAS, the Parties now desire to extend the Compact Term by one additional year (the “*Extension*”), and to increase MCC’s assistance under the Compact for related administrative and oversight costs, to allow the Government more time to implement and complete the Projects in order to fully achieve the Compact Goal, Program Objective, and Project Objectives; and

WHEREAS, pursuant to Section 6.2(a) of the Compact, the Parties desire to amend the Compact as more fully described herein to memorialize the Extension.

NOW, THEREFORE, the Parties hereby agree as follows:

## AMENDMENTS

### 1. Amendment to Section 2.1.

Section 2.1 (*Program Funding*) of the Compact is amended and restated to read as follows:

“Section 2.1 Program Funding. Upon entry into force of this Compact in accordance with Section 7.3, MCC will grant to the Government, under the terms of this Compact, an amount not to exceed Five Hundred and Five Million, Fifty-Five Thousand, Eighty-Seven United States Dollars and Eleven Cents (US\$505,055,087.11) (“*Program Funding*”) for use by the Government to implement the Program. The allocation of Program Funding is generally described in Annex II.”

### 2. Amendment to Section 7.4.

Section 7.4 (*Compact Term*) of the Compact is amended and restated to read as follows:

“Section 7.4 Compact Term. This Compact will remain in force for six years after its entry into force, unless terminated earlier under Section 5.1 (the “*Compact Term*”).”

### 3. Amendment to Annex II (Multi-Year Financial Plan Summary).

Exhibit A to Annex II (Multi-Year Financial Plan Summary) to the Compact is deleted in its entirety and replaced by revised Exhibit A set forth in Annex I to this Amendment,

which revised Exhibit A includes the Compact Development Funding amount granted by implementation of Section 2.2(d) of the Compact.

## GENERAL PROVISIONS

### 1. Further Assurances.

Each Party hereby covenants and agrees, without necessity of any further consideration, to execute and deliver any and all such further documents and take any and all such other action as may be reasonably necessary or appropriate to carry out the intent and purpose of this Amendment.

### 2. Effect of this Amendment.

From and after the date this Amendment enters into force, the Compact and this Amendment will be read together and construed as one document, and each reference in the Compact to the “Compact,” “hereunder,” “hereof” or words of like import referring to the Compact, and each reference to the “Compact,” “thereunder,” “thereof” or words of like import in any Supplemental Agreement or in any other document or instrument delivered pursuant to the Compact or any Supplemental Agreement, will mean and be construed as a reference to the Compact, as amended by this Amendment.

### 3. Limitations.

Except as expressly amended by this Amendment, all of the provisions of the Compact remain unchanged and in full force and effect.

#### 4. Governing Law.

The Parties acknowledge and agree that this Amendment is an international agreement entered into for the purpose of amending the Compact and as such will be interpreted in a manner consistent with the Compact and is governed by international law.

#### ANNEX I

#### REVISED EXHIBIT A TO ANNEX II TO THE COMPACT MULTI-YEAR FINANCIAL PLAN SUMMARY

(US\$)					
	CDF	Existing Program Funding	Additional Program Funding	Total Program Funding	Total MCC Funds
<b>1. Skills for Employability &amp; Productivity Project</b>	<b>3,831,756.05</b>	<b>151,387,223.74</b>	<b>3,700,000.00</b>	<b>155,087,223.74</b>	<b>158,918,979.79</b>
1.1 Secondary Education	1,650,650.44	106,918,329.35	1,151,000.00	108,069,329.35	109,719,979.79
1.2 Technical and Vocational Education and Training	122,970.91	34,877,029.09	420,000.00	35,297,029.09	35,420,000.00
1.3 Project Management	2,058,134.70	9,591,865.30	2,129,000.00	11,720,865.30	13,779,000.00
<b>2. Abidjan Transport Project</b>	<b>17,112,335.18</b>	<b>275,227,664.82</b>	<b>2,450,000.00</b>	<b>277,677,664.82</b>	<b>294,790,000.00</b>
2.1 Transportation Infrastructure	9,880,000.00	228,840,000.00	-	228,840,000.00	238,720,000.00
2.2 Transportation Management and Planning	7,232,335.18	46,387,664.82	2,450,000.00	48,837,664.82	56,070,000.00
<b>3. Monitoring and Evaluation</b>	<b>27,401.00</b>	<b>12,672,599.00</b>	<b>-</b>	<b>12,672,599.00</b>	<b>12,700,000.00</b>
3.1 Monitoring and Evaluation	27,401.00	12,672,599.00		12,672,599.00	12,700,000.00
<b>4. Program Management and Administration</b>	<b>10,713,420.66</b>	<b>53,767,599.55</b>	<b>5,850,000.00</b>	<b>59,617,599.55</b>	<b>70,331,020.21</b>
4.1 MCA Program Administration	8,188,548.60	41,630,919.61	5,850,000.00	47,480,919.61	55,669,468.21
4.2 Fiscal Agent	727,500.00	5,707,500.00		5,707,500.00	6,435,000.00
4.3 Procurement Agent	1,758,359.25	5,618,192.75		5,618,192.75	7,376,552.00
4.4 Audit	39,012.81	810,987.19		810,987.19	850,000.00
<b>Total</b>	<b>31,684,912.89</b>	<b>493,055,087.11</b>	<b>12,000,000.00</b>	<b>505,055,087.11</b>	<b>536,740,000.00</b>

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